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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 32-87

August 12, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

EUROPEAN COMMUNITY Sets Special Rice Production Subsidy. The European Community (EC) announced a special production subsidy of 330 European Community Units (ECU) per hectare for long-grain rice in its 1987/88 price package. This special subsidy could potentially displace U.S. long-grain rice exports to the EC. In 1985/86 (Aug/July), the EC imported over 158,000 tons of rice from the United States. To date in 1986/87, U.S. rice commitments to the EC total 400,000 tons, of which 90 percent is long grain.

DAIRY, LIVESTOCK AND POULTRY

TAIWAN Increasing Pork Production. Taiwan's pork production increased 4.5 percent in 1986 and a 5.9-percent increase is projected for 1987, according to the U.S. agricultural officer in Taipei. Encouraged by low feed prices, the removal of the domestic slaughter tax in April, and reduced Japanese minimum import prices, Taiwan's pork production is projected to be up in 1987 to 919,000 tons. For 1988, production is projected to remain at 1987 levels because of producer uncertainty about new water pollution control regulations to be applied after February 1988.

COTTON AND FIBERS

U.S. Cotton Exports Exceed 6.6 Million Bales in 1986/87. Supported by a combination of marketing loan provisions in the 1985 Farm Bill and smaller crops in China and the Soviet Union, U.S. cotton exports exceeded 6.6 million bales in the 1986/87 (Aug/July) crop year. Major markets were Japan, South Korea, the EC and Taiwan. Exports averaged 6.1 million bales during the 5-year period 1980/85. Cotton sales for the 1987/88 crop year delivery have been favorable, up 230,000 bales over last year to 3.1 million bales as of July 30.

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SUGAR

ARGENTINA'S Sugar Production Forecast Revised. Sugar production in Argentina for 1987/88 is now forecast at 1.045 million tons, up 8 percent from the forecast made in May, but down 6 percent from the 1986/87 estimate, according to the U.S. agricultural counselor in Buenos Aires. The government of Argentina recently increased the sugar production quota in raw value terms to about 1.037 million tons cane and 8,000 tons of beet sugar. The measure was taken in order to assure an adequate supply of sugar on the local market, as stocks had reached low levels.

WEEKLY EXCHANGE RATE DEVELOPMENTS

The U.S. dollar strengthened slightly against major currencies during the week ending August 7 because of tension in the Persian Gulf. Normally in times of crisis, U.S. currency strengthens because it generally offers a safe haven. However, intervention by the Central Bank of West Germany and the U.S. Federal Reserve Bank limited some of the increase in the value of the dollar.

Currencies	Current	----Percent change from----		
	rate 8/06/87	week ago 7/30/87	month ago 7/09/87	year ago 8/86
Argentine Austral	1.9555	1.82%	8.72%	113.81%
Australian Dollar	1.4282	-.26%	1.54%	-12.52%
Brazilian Cruzado	46.3700	.95%	4.88%	236.74%
Canadian Dollar	1.3234	-.66%	.03%	-4.63%
South African Rand	2.0683	-.20%	1.14%	-20.23%
Thai Baht	25.9500	1.68%	.50%	-.65%
ECU	0.9077	1.42%	2.65%	-7.33%
British Pound	0.6341	1.13%	2.60%	-5.72%
French Franc	6.2730	1.76%	2.37%	-6.59%
West Germany Mark	1.8827	1.53%	2.43%	-8.61%
Japanese Yen	151.3000	1.27%	.86%	-1.80%
South Korean Won	808.0000	-.01%	-.11%	-8.56%
New Taiwan Dollar	30.4500	-1.48%	-1.86%	-19.52%

Exchange rates are spot as of 3 p.m. Eastern Time, August 6

Source: FAS Exchange Rate Database and Wall Street Journal

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Aug. 7, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
71. Brazil wheat	July 30, '87	300,000
70. Colombia wheat	July 30, '87	300,000
69. Israel wheat	May 29, '87	200,000
68. Bangladesh wheat	May 22, '87	100,000 COMPLETE
	July 8, '87	50,000 Sold 44,000
67. Soviet Union wheat	Apr. 30, '87	4,000,000 COMPLETE
66. Turkey rice	Apr. 3, '87	70,000
65. Colombia barley malt	Apr. 3, '87	15,000
64. Iraq table eggs	Feb. 20, '87	189 million eggs
63. Canary Islands poultry	Feb. 9, '87	5,000 Sold 2,000
62. Nigeria wheat	Jan. 28, '87	500,000
61. China wheat	Jan. 26, '87	1,000,000 COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000 Sold 605,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000 Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000 COMPLETE
	July 2, '87	500,000 Sold 76,000
57. Poland barley or sorghum	Dec. 31, '86	200,000 Sold 167,000
56. Romania wheat	Dec. 23, '86	250,000
55. Iraq poultry	Dec. 22, '86	60,000 COMPLETE
54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs Sold 11.1 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000 Sold 6,000
52. Tunisia barley	Dec. 1, '86	150,000
51. Gulf countries (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head COMPLETE
50. West Africa (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Gabon, Liberia, Niger, Togo) wheat	Oct. 30, '86	345,000 Sold 99,750
	June 15, '87	185,000
49. Dominican Republic poultry	Oct. 29, '86	1,500 Sold 1,133
48. Philippines barley malt	Oct. 20, '86	60,000 Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000
46. Romania barley	Sept. 24, '86	200,000 Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000
44. Cyprus barley	Aug. 26, '86	150,000 Sold 118,000
43. Canary Islands wheat	Aug. 8, '86	100,000
42. Egypt semolina	Aug. 6, '86	30,000 Sold 23,000
41. Soviet Union wheat	Aug. 1, '86	4,000,000 EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head Sold 2,825

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

39. Hong Kong table eggs	July 28, '86	44 million eggs	COMPLETE
38. Senegal wheat	July 17, '86	100,000	COMPLETE
37. India vegetable oil	July 8, '86	25,000	COMPLETE
36. Jordan barley	June 17, '86	60,000	Sold 30,000
35. Israel barley	June 17, '86	200,000	Sold 177,324
34. Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head	COMPLETE
32. Sri Lanka wheat	May 16, '86	125,000	COMPLETE
	March 5, '87	95,000	Sold 85,000
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE (201,000)
	Jan. 5, '87	1,250,000	COMPLETE
	May 15, '87	500,000	COMPLETE
	Aug. 4, '87	500,000	
30. Algeria barley	Apr. 17, '86	500,000	Sold 36,000
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
	June 18, '86	5,000 head	
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 3,411
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 111,168
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 213,050
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
	June 18, '87	8,000 head	COMPLETE
23. Syria wheat	Apr. 8, '86	700,000	CANCELED
22. Benin wheat (remaining 15,000 tons transferred to West Africa)	Apr. 7, '86	45,000	COMPLETE
21. Algeria table eggs	Apr. 4, '86	500 million eggs	
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 2,028
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 300,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 10, '86	40,000	COMPLETE
	July 16, '87	80,000	

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 55,164
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	Sold 75,000
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	COMPLETE
	Feb. 27, '87	6,000	
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 16,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE
			(506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	COMPLETE
	July 1, '87	500,000	
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	COMPLETE
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
	May 18, '87	100,000	Sold 50,000
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE
			(512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	COMPLETE
	Oct. 8, '86	1,000,000	COMPLETE
	July 8, '87	500,000	
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 616,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	COMPLETE
durum	July 24, '87	300,000	Sold 208,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced as of Aug. 7, 1987

Announced to Date 31,315,680 tons grains and products (grain equivalent)
758 million table eggs
140,500 tons frozen poultry
65,500 head dairy cattle
25,000 tons vegetable oil

Sold to Date 16,859,309 tons wheat
1,593,196 tons flour (grain equivalent)
3,557,324 tons barley
72,610 tons semolina (grain equivalent)
106,883 tons barley malt (grain equivalent)
106,000 tons sorghum
38,700 tons rice
111,168 tons poultry feed
25,000 tons vegetable oil
131,133 tons frozen poultry
49,264 head dairy cattle
54,572,004 table eggs

Total Sales Value: \$2,138.4 million
Estimated Bonus Book Value: \$1,427.5 million
Market Value of Awards: \$1,015.4 million

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Selected International Prices

Item	:	August 11, 1987	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWSR-13.5%.		132.00	3.59	-2.00		N.Q.
U.S. No. 2 DNS/NS: 14%....		126.50	3.44	-2.00		123.50
U.S. No. 2 S.R.W.		124.00	3.37	+3.00		121.00
No. 3 H.A.D.....		148.00	4.03	+1.00		120.50
Canadian No. 1 A: Durum10/		150.50	4.10	+2.00		N.Q.
Feed grains:						
U.S. No. 3 Yellow Corn....		84.00	2.13	-4.00		88.00
Soybeans and meal:						
U.S. No. 2 Yellow.....11/		205.05	5.58	-3.10		200.25
Brazil 47/48% Soya Pellets		210.00	--	+5.00		194.50
U.S. 44% Soybean Meal..11/		192.00	--	+3.00		179.00
U.S. FARM PRICES 3/						
Wheat.....		80.46	--	-0.37		81.20
Barley.....		53.74	1.17	+1.84		45.47
Corn.....		56.30	1.43	-4.33		66.14
Sorghum.....		58.86	2.67 2/	-4.41		59.74
Broilers.....		1,182.77	--	+133.82		1,757.51
EC IMPORT LEVIES						
Wheat 5/.....		199.71	5.44	-3.11		168.15
Barley.....		192.48	4.19	+0.58		170.74
Corn.....		198.61	5.05	+0.32		172.92
Sorghum.....		200.70	5.10	-1.37		184.75
Broilers 4/ 6/ 8/.....		497.00	--	-5.00		386.00
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		175.28	4.77	-1.94		178.50
Bread wheat (min. quality)		184.51	5.02	-2.04		187.63
Maize.....		184.51	4.69	-2.04		187.63
Barley and all other feed grains, excluding maize.		175.28	--	-1.94		178.50
Broilers 4/ 6/.....		1,523.00	--	-18.00		1,525.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		113.76	3.10	-3.95		N.A.
Barley.....		113.76	2.48	--		N.A.
Broilers 4/ 6/ 8/.....		404.00	--	-4.00		284.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ September/October shipment. 11/ October shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis September delivery.

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